



NEMETSCHKE GROUP

Q2 Financial Report 2020

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Nemetschek Group: Stable revenue development with high operating margin in Q2 2020 in market environment of continued uncertainty

- Group revenue rises by 2.7% to EUR 141.6 million in Q2, +7.6% in the first half year
- Quarterly growth of +21.5% in recurring revenues, driven by subscriptions, growth in this half year amounts to 24.2%
- Q2 EBITDA margin at a high 28.8%, and thus close to reaching the previous year's level
- Effects resulting from Covid-19 as well as foreign exchange in

- **the important US market anticipated in the third quarter**
In view of the global Covid-19 pandemic, cautious outlook from March for 2020 as a whole seems to be feasible and is confirmed

Munich, July 31, 2020 – The Nemetschek Group (ISIN DE 0006452907), one of the world's leading software providers for the construction industry, closed the second quarter of 2020 with slight increases in revenue and earnings despite the global corona crisis. Overall, business development exceeded the company's own expectations.

After the corona crisis left its mark in the second quarter, especially in Europe, it is not yet possible to foresee the effects of the pandemic in the USA, where the crisis has spread much more strongly than in other parts of the world and at a later point in time. Nemetschek anticipates hurdles in this regard in the US market in the second half of the year.

The Nemetschek Group responded to the altered situation at an early stage and also maintained close customer contact during the corona crisis by means of virtual sales and support as well as online tutorials. In addition, executives worldwide were involved in intensifying cost management in the Group at an early stage.

Major indicators of the Group's success in the second quarter / first half of 2020

- **Group revenue** rose by 2.7% to EUR 141.6 million in Q2 (currency-adjusted: 2.0%) compared to the previous year's figure of EUR 137.8 million. The increase in revenue is as a result of stable organic development and the revenue contributed by the Red Giant acquisition in the Media & Entertainment segment. In the first half year, revenue rose by 7.6% (currency-adjusted: 6.6%) compared to the same period in the previous year; organic growth amounted to 4.8%.
- **Recurring revenue** from software service contracts and subscriptions continued to be a growth driver again in Q2, the revenues from which rose by 21.5% (currency-adjusted: 20.7%) to EUR 88.9 million compared to the same quarter of the previous year. The half year even showed slightly stronger growth dynamics with an increase of 24.2% (currency-adjusted: 23.0%).

Thus the proportion of recurring earnings in Group revenue of 60.7% exceeded the 60% mark for the first time in the first six months (previous year's period: 52.6%).

- As expected, **license business** declined compared to the previous year. In Q2, license revenues reached EUR 46.7 million, a decline of 18.5% compared to the same quarter of the previous year (currency-adjusted: -19.2%). License revenues in the first half of the year amounted to EUR 100.1 million and were thus 10.8% (currency-adjusted: -12.0%) below the previous year's figure.
 - As a result of the stable revenue development and high levels of discipline in terms of cost management, even in Q2 a slight increase in consolidated operating **earnings before interest, taxes, depreciation and amortization (EBITDA)** to EUR 40.7 million (+1.9%) was achieved. The EBITDA margin came close to reaching the previous year's level at 28.8% (Q2 2019: 29.0%). In the first half year, the margin improved, rising to 28.7% (previous year's period: 28.6%).
 - In Q2, **net income for the quarter** was only slightly below that of the previous year at EUR 21.1 million (previous year: EUR 21.9 million). The earnings per share amounted to EUR 0.18. In the half year, it was possible to increase the profit for the period by 2.6%, rising to EUR 42.5 million, which corresponds to earnings per share in the amount of EUR 0.37. Adjusted for the amortization from purchase price allocations, net income for the quarter amounting to EUR 26.1 million was 4.8% higher than the previous year. The adjusted earnings per share amounted to EUR 0.23.

About the Nemetschek Group

The Nemetschek Group is a pioneer for the digital transformation in the AEC industry. With its software solutions, it covers the complete life cycle of building and infrastructure projects and guides its customers into the future

of digitalization. As one of the world's leading corporate groups in this field, the Nemetschek Group increases quality in the construction process and improves the digital workflow of all those involved in the construction process. This revolves around the use of open standards (Open BIM). The innovative solutions of the 16 brands in the four customer-oriented divisions are used by approximately six million users worldwide. Founded by Prof. Georg Nemetschek in 1963, the Nemetschek Group today employs more than 3,000 experts.

Publicly listed since 1999 and quoted on the MDAX and TecDAX, the company achieved revenue in the amount of EUR 556.9 million and an EBITDA of EUR 165.7 million in 2019.

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